

# Obama's American Jobs Act will Crush Jobs



By Julie Borowski on September 13, 2011

Like 7

President Obama's big job speech last week sounded more like yet another campaign speech. In typical Obama fashion, it was full of grand promises without much substance. He introduced his American Jobs Act with lots of feel good rhetoric minus the useful details of the costly plan. Obama pledged that that the \$447 billion jobs package would "create more jobs for construction workers, more jobs for teachers, more jobs for veterans, and more jobs for the long-term unemployed." Sounds like the same broken promises we've heard over and over again.

The American Jobs Act will fail to live up to its unrealistic expectations. It's just more of the same old Keynesian economic policy that has never and will never work. In his speech he said that, "every proposal I've laid out tonight will be paid for." How? The only way government gets money is through taxation, fines, borrowing or printing more. All of these options hurt job growth and diminish our quality of life. Alan Reynolds of the Cato Institute writes that, "this is no 'jobs plan.' It's a tax-and-spend plan, and a bad one."

Obama also said that Congress needs to reform "our tax code in a way that asks the wealthiest Americans and biggest corporations to pay their fair share." Of course, the federal government does not "ask" us to pay taxes but rather forces us through coercive means. Nothing about paying taxes is voluntary. We constantly hear politicians say that the wealthy are not paying their "fair share" but no one seems to be able to define what exactly qualifies as a "fair share." The term "fair share" is highly subjective. Greedy politicians always want more money to spend whereas I personally believe all individuals have a right to the fruits of their own labor.

The Americans Jobs Act will extend unemployment benefits yet again. Remember that everything the government "gives" must be first taken away from someone else. Unemployment benefits are not a form of economic stimulus whatsoever. Bruce Yandle of the Mercatus Center says that, unemployment benefits "enables individuals to wait for a better job than the one they might take immediately. Since the U.S. currently has a higher level of unfilled job openings than would normally be associated with a high level of unemployment, it is possible that part of the unfilled jobs is explained by the continuation of unemployment benefits."

Obama's "economic recovery" policies have had a 0 percent success rate. Remember that back in February 2009, the Obama administration promised that their "stimulus" package would keep the unemployment rate below eight percent. In late 2009, the unemployment rate reached double digits with the "stimulus" enacted. The official unemployment rate in August was 9.1 percent.

President Obama's \$814 billion "stimulus" plan has failed by its own measure. Veronique de Rugy of the Mercatus Center produced the chart below which compares unemployment estimates from Obama's 2010 budget and the actual unemployment rates from the Bureau of Labor Statistics.



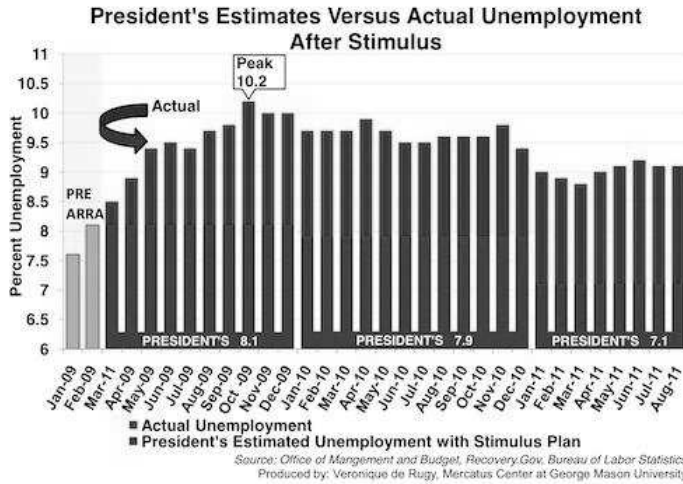
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Obama has made a bunch of excuses on why his "stimulus" didn't work. It failed not because it was "too small" but because the president cannot repeal the laws of economics. As Henry Hazlitt wrote, "the art of economics consists in looking not merely at the immediate but at the longer effects of any act or policy; it consists in tracing the consequences of that policy not merely for one group but for all groups." The "stimulus" is responsible for destroying private sectors jobs by redistributing wealth from taxpayers to mostly wasteful pet projects. For every single job that the "stimulus" supposedly "created", at least one private sector job was never created.

Call me pessimistic but I have no hope that his "new" junior "stimulus" plan will produce a different result. Like his previously tried "stimulus" plan, it will overpromise and under deliver. All of Obama's lofty promises reminds me of the saying by Bernard Baruch, "vote for the man who promises least; he'll be the least disappointing." Washington does not create jobs. Lawmakers merely create an environment that can either hurt or help job creators. The Obama administration's tax and spend policies have punished entrepreneurs. It's time to change course and remove the regulatory and tax burdens that hold back job growth.

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*It's better to be a pleasant surprise than a bitter disappointment*  
DICK ARMEY

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